

.IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE: : CHAPTER 7
MARVELAY, LLC, : CASE NO. 18-69019-LRC
Debtor. :
:

STATUS REPORT ON ADVERSARY PROCEEDINGS PENDING IN DEBTOR'S BANKRUPTCY CASE

COMES NOW, Martha A. Miller (“Trustee”), in her capacity as the Chapter 7 Trustee for the bankruptcy estate of Marvelay, LLC (“Debtor” or “Marvelay”), by and through counsel, and files this Status Report on Adversary Proceedings Pending in Debtor’s Bankruptcy Case, showing the Court as follows:

BACKGROUND

1. In November 2020, Trustee filed Adversary Proceeding No. 20-6252 (the “Insider Litigation”) in the Debtor’s above-captioned bankruptcy case (the “Bankruptcy Case”), wherein, *inter alia*, Trustee seeks to avoid and recover certain transfers from the individuals and entities named as defendants therein, certain of which Trustee asserts are insiders of the Debtor.
 2. Also in November 2020, Trustee filed 51 additional adversary proceedings seeking, *inter alia*, to avoid and recover certain payments made by Debtor in the ninety days, two years, and four years preceding the filing of the Bankruptcy Case to the defendants in those adversary proceedings. Thereafter, the Trustee filed amended complaints in each of the 51 adversary proceedings to add, in most cases, additional payments made by the Debtor to the defendants that the Trustee seeks to avoid. (The Insider Litigation and the 51 additional adversary proceedings are collectively referred to herein as the “Adversary Proceedings.”)

3. On April 29 and June 1, 2021, the Court entered Orders with respect to 29 of the Adversary Proceedings (the “Rule 26(f) Orders”; Dkt. Nos. 147, 157). In the Rule 26(f) Orders, the Court found that the application of BLR 7016-1 to those adversary proceedings was modified as follows: (i) the motion requesting the Rule 26(f) Orders constituted the initial Rule 26(f) written report for each of the adversary proceedings; (ii) the parties to the adversary proceedings were relieved of any requirement to file any additional report in any of the adversary proceedings under BLR 7016-1(a)(2); and (iii) the parties were required to file, on or before June 30, 2021, proposed consolidated scheduling orders in the adversary proceedings that provided a deadline for discovery and a deadline for submitting pre-trial orders. *Id.*

STATUS REPORT

4. The Trustee now files this Status Report to provide the Court and interested parties with a status update on the Adversary Proceedings and the progress made in the prosecution of same.

5. Specifically, the Trustee reports as follows:

a. Trustee has obtained approval from the Bankruptcy Court of settlement agreements in the following four Adversary Proceedings: (i) Sky Adventures, Inc., Adv. No. 20-6228; (ii) Rohr Balloons, LLC, Adv. No. 20-6225; (iii) Balloons Over Virginia, Inc., Adv. No. 20-6205; and (iv) Frank J. Riehl d/b/a ABC Balloon Safari Adventures, Adv. No. 20-6214. If paid, the Debtor’s estate will receive \$33,000 from these settlement agreements;

b. Trustee has settled,¹ subject to approval by the Court, an additional 24 Adversary Proceedings and one unfiled claim subject to a tolling agreement, which, if approved and paid, will result in the Debtor’s estate receiving approximately \$300,000;

¹ The parties are in the process of documenting the settlements and preparing pleadings to approve same.

c. Trustee has requested and obtained Entries of Default by the Clerk in the following six Adversary Proceedings: (i) Aerogelic Ballooning, L.L.C., Adv. No. 20-6211; (ii) Arkansas Air Sports, Inc., Adv. No. 20-6208; (iii) In Flight Balloon Adventures, LLC, Adv. No. 20-6218; (iv) Up & Down Enterprises, Ltd. d/b/a Balloons Unlimited, Adv. No. 20-6206; (v) Skydivers Guild, Inc., Adv. No. 20-6249; and (vi) Southern Minnesota Skydiving, LLC, Adv. No. 20-6248;

d. Trustee is involved in settlement negotiations with respect to several of the remaining Adversary Proceedings. Trustee anticipates the filing of settlement pleadings or alternatively, if not settled, scheduling orders or other pleadings that address these proceedings in the next 60 to 90 days; and

e. With respect to the remaining Adversary Proceedings, as well as those Adversary Proceedings in default, Trustee anticipates filing moving papers to further prosecute said cases, including, but not limited to, seeking additional Entries of Default if applicable, in the next 60 to 90 days.

Respectfully submitted, this 30th day of June, 2021.

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CERTIFICATE OF SERVICE

This is to certify that I have on this day electronically filed the foregoing Status Report on Adversary Proceedings Pending in Debtor's Bankruptcy Case using the Bankruptcy Court's Electronic Case Filing program, which sends a notice of this document and an accompanying link to this document to the following parties who have appeared in this case under the Bankruptcy Court's Electronic Case Filing program:

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Dated: June 30, 2021

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